

Internal Revenue Service

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Department of the Treasury

Washington, DC 20224

Third Party Communication: None

Date of Communication: Not Applicable

Person To Contact:

, ID No.

Telephone Number:

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CC:CORP:2

PLR-103610-08

Date:

April 15, 2008

Legend:

Taxpayer =

LLC =

Former Parent =

Corporation 1 =

Corporation 2 =

Corporation 3 =

Non-stock Interest 1 =

Non-stock Interest 2 =

Non-stock Interest 3 =

Holder 1 =

Holder 2 =

Holder 3 =

Account =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Year 1 =

Year 2 =

Year 3 =

a =

b =

c =

d =

e =

f =

g =

h =

i =

i =

k =

l =

m =

n =

o =

Dear :

This responds to a letter dated January 23, 2008, submitted on behalf of Taxpayer, requesting a supplemental ruling with respect to our prior letter ruling dated July 31, 2007 (PLR-112258-07) (the "Prior Ruling"). Additional information was submitted in letters dated February 22 and February 25, 2008.

The Prior Ruling addressed the Federal income tax consequences of a series of transactions pursuant to which Taxpayer acquired the stock of Former Parent (collectively, the "Acquisition") and ruled that the Acquisition constituted a reverse acquisition within the meaning of Treas. Reg. § 1.1502-75(d)(3). Except as modified below, the facts and representations set forth in the Prior Ruling remain in effect for purposes of this supplemental ruling letter.

You have submitted the following additional facts relating to the conclusion of the Prior Ruling:

- (i) On Date 1, LLC acquired approximately a percent of the stock of Corporation 1 in exchange for LLC membership units with an aggregate fair market value of approximately \$b.
- (ii) In the Acquisition, Taxpayer issued Non-stock Interest 1 to Holder 1.
- (iii) In the Acquisition, Taxpayer issued Non-stock Interest 2 to Holder 2.
- (iv) In the Acquisition, Taxpayer issued Non-stock Interest 3 to Holder 3.

(v) On Date 2, Taxpayer acquired the stock of Corporation 2 in exchange for approximately \$c in cash and additional consideration of approximately \$d mostly in Taxpayer stock that is contingent on meeting certain specified operation milestones in Year 1 and Year 2. The specified operational milestones for Year 1 were not met.

(vi) On Date 3, Taxpayer issued shares of convertible preferred stock in a private placement in exchange for \$e in cash.

(vii) On Date 4, Taxpayer acquired the stock of Corporation 3 in exchange for \$f in cash and approximately \$g of Taxpayer common stock and additional consideration of up to \$h that is contingent on meeting certain specified operational milestones in Year 1, Year 2, and Year 3, and that may be paid either in shares of Taxpayer common stock or in cash at the option of (a) Taxpayer (for up to \$i of any additional consideration) and (b) the shareholders of Corporation 3 (for up to \$j of any additional consideration). The specified operational milestones for Year 1 were met. Consequently, Taxpayer has paid additional consideration of approximately \$k, partly in cash and partly in Taxpayer common stock, to the former Corporation 3 shareholders. \$l of the payment was deposited in Account; about \$m of that amount was in cash with the remainder in Taxpayer common stock. The remaining payment consisted of \$n in cash with the rest in Taxpayer common stock.

The representations set forth in Prior Ruling remain in effect except as modified below:

(a) Representation (e) in the Prior Ruling is deleted.

(b) Representation (f) in the Prior Ruling is modified to read as follows: "At the time of the Acquisition, the fair market value of the stock of Former Parent was at least a% of the fair market value of all the assets of LLC."

(c) Representation (g) in the Prior Ruling is modified to read as follows: "The partners of LLC received at least o% of the fair market value of the outstanding stock of Taxpayer at the time of the Acquisition."

Based on the facts and information submitted, we rule that the additional information and representations set forth above will have no adverse effect on the ruling set forth in the Prior Ruling.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

Pursuant to the power of attorney on file in this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Gerald B. Fleming
Senior Technician Reviewer
Branch 2 (Corporate)

cc: